the huge price of 380$. a ton, and this sum would have to be paid. Thus they were nearly 40 ships short on their first allotment.

Further on in the course of our discussions he also pointed out that the balance received from premiums both on ships and cargoes under the Government War Risks Insurance scheme had now for the first time entirely disappeared.

When he came to shipbuilding, he said the situation here was a good deal worse than he had thought. There was no steel available for shipbuilding even on the existing reduced basis.

Black Upbuilding

It is recorded that after the Committee had been drenched with these cumulative jeremiads, I said that " the situation was very serious, and must be dealt with on broader lines" than those which had been indicated by the President of the Board of Trade. I put forward proposals as to the development of steel production in U.S.A. and Canada, and as to stopping the export of engines.

But the most important proposal I made was :

" To appoint a Director of Merchant Shipping under the President of the Board of Trade, with full powers to organise—

A Director of Merchant Shipping

(a) The merchant shipping available to the best advantage to this country.

(£) The building of additional ships in this country and America.

I ended by saying that in my opinion

some such drastic measures as these were absolutely necessary, and any minor suggestions were mere tinkering/*